

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM JULY 18, 2012**  
**OPEN SESSION**

***MINUTES OF JULY 18, 2012 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN FOSTER CAMPBELL, VICE CHAIR JIMMY FIELD AND COMMISSIONERS LAMBERT BOISSIERE, ERIC SKRMETTA AND CLYDE HOLLOWAY. ALSO PRESENT WAS EVE KAHAO GONZALEZ.***

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Open Session of July 18, 2012, convening at 9:22 A.M. and adjourning at 11:10 A.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Secretary Eve Kahao Gonzalez.

**Ex. 1**            Announcements

Commissioner Field asked Deputy General Counsel Brandon Frey what the publishing requirements for utilities requesting a rate increase are and whether we could require the requesting utility to send written communication and/or bill inserts to their customers notifying them of a pending request instead of just publishing in periodicals. Commissioner Skrmetta would like Staff to look into whether electronic notice would satisfy the notice requirements.

Commissioner Holloway reminded everyone that another technical conference will be held in August regarding net metering, with the exact date to be determined later.

Commissioner Skrmetta directed Staff to compare/contrast the pricing, capacity limitations and available subsidy programs for solar power between Texas and Louisiana.

Commissioner Holloway would like the Commission consultant in the Cleco long term RFP docket to closely monitor the impacts of Cleco and Entergy joining MISO on potential bidders.

**Ex. 2**            **T-32267** - Windham Well Service, LLC (Jena, Louisiana), ex parte. In re: Application to increase tariff rates for LPSC 7242.

**In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioners Campbell and Field consenting and Commissioner Boissiere temporarily absent, the Commission voted to invoke its original and primary jurisdiction and take this matter up pursuant to Rule 57.

On motion of Commissioner Holloway, seconded by Commissioner Field, and unanimously adopted, the Commission voted to accept the Staff Recommendation and grant the requested increase and that the hourly rate for transportation services be increased from \$70.00 to \$75.00 for an increase of \$5.00 per hour or a 7.14% increase. Staff concurs and further recommends that if granted, the increase become effective upon the Carrier filing an updated tariff with the Transportation Division.

**Ex. 3**            **T-32281** - Bear Creek Services, LLC (Shreveport, Louisiana), ex parte. In re: Application to increase tariff rates for LPSC 5180-K & 7559.

**In re: Discussion and possible vote on Stipulated Agreement pursuant to Rule 57.**

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the commission voted to invoke its original and primary jurisdiction and take this matter up pursuant to Rule 57.

On motion of Commissioner Campbell, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and grant the requested rate increase from \$70 to \$80 or a 14.29% increase per hour for both saltwater and non-hazardous waste; and, an increase from \$75 to \$80 per hour or 6.70% for the winch truck rate. Staff concurs with the auditor's recommendation. Staff further recommends that the increase, if approved by the Commission, become effective upon the Carrier's filing an updated tariff with the Transportation Division.

**Ex. 4**                    **U-31893** - Density Utilities of Louisiana, LLC, ex parte. In re: 2010 Formula Rate Plan Evaluation Report pursuant to section 2B of the FRP.

**In re: Discussion and possible vote on Proposed Stipulated Agreement.**

On motion of Commissioner Field, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Uncontested Proposed Stipulated Settlement filed June 18, 2012 and entered into the record at the June 27, 2012 stipulation hearing and that in future audits, including the ongoing 2011 TY review, the Company be required to provide *audited* financial statements of Density Services. In addition, with regard to stipulated term number four, appropriate backup shall include the name of the contractor, details of the work undertaken or planned to be undertaken by the contractor, and proof that the company has notified the contractor in writing that it is subject to an audit by the Commission Staff.

**Ex. 5**                    **X-32427** - Entergy Services, Inc., ex parte. In re: Request for Proposals for Long-Term Supply-Side Stable Price Baseload Resources.

**In re: Discussion and possible vote to hire outside consultant to assist Staff in this matter.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to retain the consulting firm of Exeter Associates, Inc. for consultant fees not to exceed \$42,000 plus expenses not to exceed \$3,400, for a total budget not to exceed \$45,500 to assist Staff in this matter.

**Ex. 6**                    1) Reports  
2) Resolutions  
3) Discussions

Commissioner Field directed Staff to open a docket to identify possible regulatory obstacles to utilities entering into mid and long-term gas supply contracts, potential regulatory liability relating to such contracts, and recommend possible improvements to utility gas supply procurement practices, including consideration of the use of competitive procurement processes and/or securitization and an LPSC certification process. Commissioner Holloway asked that the cost of gas storage be factored into the Staff's analysis.

**Ex. 7**                    **U-32149** - Cleco Power LLC, ex parte. In re: June 2011 Cost of Service and Formula Rate Plan filing.

**In re: Staff Report on 2011 Formula Rate Plan Results for the 12 Months Ended June 30, 2011.**

**At the request of Commissioner Holloway.**

On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, and unanimously adopted, the Commission voted to accept the Staff Recommendation and order that the total refund amount of \$5,062,000 be refunded to eligible customers in their September 2012 bills based on the actual usage in the billing month of July 2012. Under the terms of the FRP, the refund is to be allocated to each customer class based on that class' base revenue as a percentage of total base revenues eligible for refund. Base revenues eligible for refund exclude base revenues from customers that receive discounts under site-specific contracts.

**Ex. 8**                    **U-30955** - Louisiana Public Service Commission, ex parte. In re: Fuel Adjustment Clause Audit for CLECO Power, L.L.C. for years 2003 - 2008.

**In re: Discussion and possible adoption of Staff Audit Report.**

**At the request of Commissioner Holloway.**

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the Commission Audit Report, as filed into the record on April 26, 2012. It was further

ordered that the refund in the amount of \$546, 022 be refunded to eligible customers on their September 2012 bills based on the actual usage in the billing month of July 2012. Finally, it is ordered that Cleco's request for recovery of its incremental external costs be considered in connection with its next formula rate plan filing.

**Ex. 9**                    **U-32150** - Louisiana Public Service Commission, ex parte. In re: First Audit of Cleco Power, LLC's Louisiana Environmental Adjustment Clause.

**In re: Discussion and possible adoption of Staff Audit Report.**

**At the request of Commissioner Holloway.**

On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to accept the Staff Recommendation and adopt the Audit Report issued May 10, 2012, along with the findings contained therein.

**Ex. 10**                    **S-32320** - Reserve Communications and Computer Corporation ("RCC"), RTC Holdings, LLC, Reserve Telephone Company, Inc. ("Reserve Telephone") and Reserve Long Distance Company, Inc. ("Reserve LD"), ex parte.. In re: Request for Approval/ Letter of Non-Opposition to Pledge of Security in Connection with Debt Incurrence, Issuance of Guarantees and Pledge of Assets as Security for Reserve Communications and Computer Corporation, RTC Holdings, LLC, Reserve Telephone Company, Inc. and Reserve Long Distance Company, Inc.

**In re: Discussion and possible consideration of an amendment to the Request for Approval.**

**At the request of Commissioner Boissiere.**

On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, and unanimously adopted, the Commission voted to accept Staff Recommendation and issue an order stating its approval of the transaction as filed, and amended, as the additional financing will serve the public interest while at the same time having no negative impact on the ratepayers or the Commission's jurisdiction.

**Ex. 11**                    Discussion and possible vote to hire independent consultant to conduct a structural review of Density Utilities of LA, LLC and its processes.

**At the request of Commissioner Skrmetta.**

On motion of Commissioner Skrmetta, seconded by Commissioner Field, and unanimously adopted, the Commission voted to retain the consulting firm of LaPorte CPAs and Business Advisors for a budget of \$40,500 in fees, plus expenses not to exceed \$1,500, for a total budget not to exceed \$42,000 to assist Staff in this matter.

Commissioner Skrmetta directed the consultant to examine the pay of Density executives and determine whether it is an appropriate amount.

**Ex. 12**                    Discussion and possible vote to hire engineer to investigate the capital improvements made by Density Utilities of LA, LLC.

**At the request of Commissioner Skrmetta.**

On motion of Commissioner Field, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to retain the consulting firm of Robert J. Lambert, Jr., Professional Consortium, LLC for a budget of fees not to exceed \$22,550.00, expenses not to exceed \$1,500, for a total of \$24,050 to assist Staff in this matter.

**Ex. 13**                    Report by Special Counsel on developments in FERC docket no. EL09-61 and on refunds ordered pursuant to FERC Docket No. 01-88 and subsequent implementation dockets.

**At the Request of Commissioner Field.**

Special counsel Mike Fontham provided a report on the status of various cases in which the LPSC is involved at the Federal Energy Regulatory Commission and of the refunds paid to Louisiana ratepayers pursuant to these decisions.

**MEETING ADJOURNED**

The next Business and Executive Session will be held September 5, 2012 at 9:00 a.m. in Baton Rouge, Louisiana.